


<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>		1. TRANSMITTAL NUMBER: 03-009	2. STATE Arizona
<b>FOR: HEALTH CARE FINANCING ADMINISTRATION</b>		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE October 1, 2003	
5. TYPE OF PLAN MATERIAL (Check One): <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: 1902(a)(58) 1902(w), 1932(a)(4) of the act (Waiver), 1903(m)(2)(H), 1902(a)(52) of the Act P.L. 101-508 42 CFR 438.56(g), 42 CFR 441.60, 42 CFR 440.240 and 440.250, 1902(a) and 1902(a)(10), 1902(a)(52), 1903(v), 1915(g), 1925(b)(4), and 1932 of the Act, 1902(b)(4)(C) of the Social Security Act P.L. 105-33, 1902(a)(4)(D) of the Social Security Act P.L. 105-33 1932(d)(3) 42 CFR 438.58, 42 CFR 447.51 through 447.58, Waiver, 1916(a) and (b) of the Act, 42 CFR 447.51 through 447.58, 42CFR 438.108 42 CFR 447.60 Waiver, 1916 of the Act, P.L. 99-272, (Section 9505), 42 CFR 431.60 42 CFR 456.2 50 FR 15312 1902(a)(30)(C) and 1902(d) of the Act, P.L. 99-509 (Section 9431), (Waiver) 1932(c)(2) and 1902(d) of the Act, P.L. 99-509 (section 9431), 45 CFR 438.356(e) 42 CFR 438.354 42 CFR 438.356(b) and (d) 1902(p) of the Act 42 CFR 438.808 1932(d)(1) 42 CFR 438.610 42 CFR 431.51 AT 78-90 46 FR 48524 48 FR 23212 1902(a)(23) P.L. 100-93 (section 8(f)) P.L. 100-203 (section 4113) Section 1902(a)(23) Of the Social Security Act P.L. 105.33 Section 1932(a)(1) Section 1905(t) 42 CFR 435.212&1902(e)(2) of the Act, P.L. 99-272 (section 9517) P.L.42 CFR 431.12(b) At-78-90 42 CFR 438.104 42 CFR 434.4 48 FR 54013 42 CFR Part 438 1932(e) 42 CFR 438.726 42 CFR 435.914 1902(a)(34) of the Act 1902(e)(8) and 1905(a) of the Act 1902(a)(47)		7. FEDERAL BUDGET IMPACT: a. FFY 2004 \$600,000 b. FFY \$	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: page 45(a), page 45(b), Attachment 2.2-A Page 10a, page 22, page 77, page 54, <del>Addendum pages 54 to 56a</del> , page 55, page 46, page 50a, page 78a, page 41, attachment 2.2-A page 10, page 9, page 71, attachment 4.30 page 2, page 11, and <del>page 1</del> <i>List of Attachments, pages 1 and 2</i> <i>for</i>		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): page 45(a), page 45(b), Attachment 2.2-A Page 10a, page 22, page 77, page 54, <del>Addendum pages 54 to 56a</del> , page 55, page 46, page 50a, page 78a, page 41, attachment 2.2-A page 10, page 9, page 71, attachment 4.30 page 2, page 11, and <del>page 1</del> <i>List of Attachments, pages 1 and 2</i> <i>for</i>	
10. SUBJECT OF AMENDMENT: Updates State Plan Changes Pursuant to BBA Medicaid Management Care Regulations.			
11. GOVERNOR'S REVIEW (Check One): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> OTHER, AS SPECIFIED: <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO: Lynn Dunton, Assistant Director Office of Intergovernmental Relations 801 E. Jefferson, MD#4200 Phoenix, Arizona 85034	
13. TYPED NAME: Lynn Dunton			
14. TITLE: Assistant Director			
15. DATE SUBMITTED: December 23, 2003			
<b>FOR REGIONAL OFFICE USE ONLY</b>			
17. DATE RECEIVED: December 23, 2003		18. DATE APPROVED: <i>March 15, 2004</i>	


## LIST OF ATTACHMENTS

<u>No.</u>	<u>Title of Attachments</u>
*1.1-A	Attorney General's Certification
*1.1-B	Waivers under the Intergovernmental Cooperation Act
1.2-A	Organization and Function of State Agency
1.2-B	Organization and Function of Medical Assistance Unit
1.2-C	Professional Medical and Supporting Staff
1.2-D	Description of Staff Making Eligibility Determination
*2.2-A	Groups Covered and Agencies Responsible for Eligibility Determinations
* Supplement 1 -	Reasonable Classifications of Individuals under the Age of 21, 20, 19 and 18
* Supplement 2 -	Definitions of Blindness and Disability ( <u>Territories only</u> )
* Supplement 3 -	Method of Determining Cost Effectiveness of Caring for Certain Disabled Children at Home
*2.6-A	Eligibility Conditions and Requirements ( <u>States only</u> )
* Supplement 1 -	Income Eligibility Levels – Categorically Needy, Medically Needy and Qualified Medicare Beneficiaries
* Supplement 2 -	Resource Levels – Categorically Needy, Including Groups with Incomes Up to a Percentage of the Federal Poverty Level, Medically Needy, and other Optional Groups
* Supplement 3 -	Reasonable Limits on Amounts for Necessary Medical or Remedial Care Not Covered under Medicaid
* Supplement 4 -	Section 1902(f) Methodologies for Treatment of Income that Differ from those of the SSI Program

\*Forms Provided

TN # 03-009  
Supersedes TN # 95-04Effective Date 10/1/03  
Approval Date \_\_\_\_\_

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: 10/01/03	20. SIGNATURE OF REGIONAL OFFICIAL: 
21. TYPED NAME: Linda Minamoto	22. TITLE: Associate Regional Administrator
23. REMARKS:  As requested in a letter from AHCCCS dated February 26, 2004, the Cost Sharing ADDENDUM page following page 55 has been deleted from the State plan. Also, pen and ink changes were made to page 2 of the LIST OF ATTACHMENTS as a result of changes to page 1.  Corresponding pen and ink changes were made to form HCFA-179, items #8 and #9.	

<u>No.</u>	<u>Title of Attachment</u>
------------	----------------------------

- |              |                                                                                                                                    |
|--------------|------------------------------------------------------------------------------------------------------------------------------------|
| <del>*</del> | <del>Supplement 1 - Income Eligibility Levels</del>                                                                                |
| *            | Supplement 2 - Resource Levels                                                                                                     |
| *            | Supplement 3 - Reasonable Limits on Amounts for Necessary Medical or Remedial Care Not Covered Under Medicaid <i>gum</i>           |
| *            | Supplement 4 - Methods for Treatment of Income That Differ From Those of the SSI Program                                           |
| *            | Supplement 5 - More Restrictive Methods of Treating Resources Than Those of the SSI Program - Section 1902(f) States Only          |
| *            | Supplement 5a- Methods for Treatment of Resources for Individuals With Incomes Related to Federal Poverty Levels                   |
| *            | Supplement 6 - Standards for Optional State Supplementary Payments                                                                 |
| *            | Supplement 7 - Income Levels for 1902(f) States - Categorically Needy Who Are Covered Under Requirements More Restrictive Than SSI |
| *            | Supplement 8 - Resource Standards for 1902(f) States - Categorically Needy                                                         |
| *            | Supplement 8a- More Liberal Methods of Treating Income Under Section 1902(r)(2) of the Act                                         |
| *            | Supplement 8b- More Liberal Methods of Treating Resources Under Section 1902(r)(2) of the Act                                      |

\* Forms Provided

TN No. 03-009  
Supersedes  
TN No. 94-01

Approval Date MAR 15 2004

Effective Date 10/1/03

Revision: HCFA-AT-80-38 (BPP)  
May 22, 1980

State: Arizona

Citation 42 CFR 431.12(b) AT-78-90	1.4	State Medical Care Advisory Committee  There is an advisory committee to the Medicaid agency director on health and medical care services established in accordance with and meeting all the requirements of 42 CFR 431.12.
42 CFR 438.104	<u>X</u>	The State enrolls recipients in MCO, PIHP, PAHP, and/or PCCM programs. The State assures that it complies with 42 CFR 438.104(c) to consult with the Medical Care Advisory Committee in the review of marketing materials. *

\*Members are enrolled with MCOs and receive most behavioral health services through the PIHPs

TN # 03-007  
Supersedes TN # 95-15

Effective Date 10/1/03  
Approval Date MAR 15 2004

Revision: HCFA-PM- (MB)

State/Territory: ArizonaCitation

- |                                                |            |                                                                                                                                                                                                                                                                                                                                                                                                                  |
|------------------------------------------------|------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 42 CFR<br>435.914<br>1902(a)(34)<br>of the Act | 2.1(b) (1) | Except as provided in items 2.1(b)(2) and (3) below, individuals are entitled to Medicaid services under the plan during the three months preceding the month of application, if they were, or on application would have been, eligible. The effective date of prospective and retroactive eligibility is specified in <u>Attachment 2.6-A</u> .                                                                 |
| 1902(e)(8) and<br>1905(a) of the<br>Act        | (2)        | For individuals who are eligible for Medicare cost-sharing expenses as qualified Medicare beneficiaries under section 1902(a)(10)(E)(i) of the Act, coverage is available for services furnished after the end of the month which the individual is first determined to be a qualified Medicare beneficiary. <u>Attachment 2.6-A</u> specifies the requirements for determination of eligibility for this group. |
| 1902(a)(47)                                    | _____(3)   | Pregnant women are entitled to ambulatory prenatal care under the plan during a presumptive eligibility period in accordance with section 1920 of the Act. <u>Attachment 2.6-A</u> specifies the requirements for Determination of eligibility for this group.                                                                                                                                                   |

TN # 03-009  
Supersedes TN # 01-015

Effective Date 10/1/03  
Approval Date MAR 15 2004

Revision: HCFA-PM-91-  
1991

(BPD)

OMB No.: 0938-

State: Arizona

Citation 3.1(a)(9) Amount, Duration, and Scope of Services: EPSDT  
Services (continued)

42 CFR 441.60 The Medicaid agency has in effect agreements with continuing care providers. Described below are the methods employed to assure the providers' compliance with their agreements.\*

42 CFR 440.240 and 440.250 (a)(10) Comparability of Services

1902(a) and 1902 (a)(10), 1902(a)(52), 1903(v), 1915(g), 1925(b)(4), and 1932 of the Act Except for those items or services for which sections 1902(a), 1902(a)(10), 1903(v), 1915, 1925, and 1932 of the Act, 42 CFR 440.250, and section 245A of the Immigration and Nationality Act, permit exceptions:

- (i) Services made available to the categorically needy are equal in amount, duration, and scope for each categorically needy person.
- (ii) The amount, duration, and scope of services made available to the categorically needy are equal to or greater than those made available to the medically needy.
- (iii) Services made available to the medically needy are equal in amount, duration, and scope for each person in a medically needy coverage group.
- (iv) Additional coverage for pregnancy-related service and services for conditions that may complicate the pregnancy are equal for categorically and medically needy.

\* Describe here.

The continuing care provider submits monthly encounter data reflecting the number of examinations completed, the number of examinations where a referable condition was identified, and the number of follow-up treatment encounters. Medicaid staff make periodic on-site reviews to monitor the provider's record of case management.

Contracts with MCO's specify the compliance requirements for continuing care providers

TN # 03-009  
Supersedes TN # 92-25

Effective Date 10/1/03  
Approval Date MAR 15 2004

New: HCFA-PM-99-3  
JUNE 1999

State: Arizona

Citation

42 CFR 431.51  
AT 78-90  
46 FR 48524  
48 FR 23212  
1902(a)(23)  
P.L. 100-93  
(section 8(f))  
P.L. 100-203  
(Section 4113)

4.10 Free Choice of Providers

- (a) Except as provided in paragraph (b), the Medicaid agency assures that an individual eligible under the plan may obtain Medicaid services from any institution, agency, pharmacy person, or organization that is qualified to perform the services, including an organization that provides these services or arranges for their availability on a prepayment basis.
- (b) Paragraph (a) does not apply to services furnished to an individual –
  - (1) Under an exception allowed under 42 CFR 431.54, subject to the limitations in paragraph (c), or
  - (2) Under a waiver approved under 42 CFR 431.55, subject to the limitations in paragraph (c), or
  - (3) By an individual or entity excluded from participation in accordance with section 1902(p) of the Act,
  - (4) By individuals or entities who have been convicted of a felony under Federal or State law and for which the State determines that the offense is inconsistent with the best interests of the individual eligible to obtain Medicaid services, or
  - (5) Under an exception allowed under 42 CFR 438.50 or 42 CFR 440.168, subject to the limitations in paragraph (c).
- (c) Enrollment of an individual eligible for medical assistance in a primary care case management system described in section 1905(t), 1915(a), 1915(b)(1), or 1932(a); or managed care organization, prepaid inpatient health plan, a prepaid ambulatory health plan, or a similar entity shall not restrict the choice of the qualified person from whom the individual may receive emergency services or services under section 1905 (a)(4)(c).

Section 1902(a)(23)  
Of the Social  
Security Act  
P.L. 105-33

Section 1932(a)(1)  
Section 1905(t)

TN # 03-009 Effective Date 10/1/03  
Supersedes TN # 99-05 Approval Date MAR 15 2004

Revision: HCFA-PM-91-9  
October 1991

(MB)

OMB No.:

State/Territory: Arizona

Citation

1902 (a)(58)

1902(w)

4.13 (e)

For each provider receiving funds under the plan, all the requirements for advance directives of section 1902(w) are met:

- (1) Hospitals, nursing facilities, providers of home health care or personal care services, hospice programs, managed care organizations, prepaid inpatient health plans, prepaid ambulatory health plans (unless the PAHP excludes providers in 42 CFR 489.102), and health insuring organizations are required to do the following:
  - (a) Maintain written policies and procedures with respect to all adult individuals receiving medical care by or through the provider or organization about their rights under State law to make decisions concerning medical care, including the right to accept or refuse medical or surgical treatment and the right to formulate advance directives.
  - (b) Provide written information to all adult individuals on their policies concerning implementation of such rights;
  - (c) Document in the individual's medical records whether or not the individual has executed an advance directive;
  - (d) Not condition the provision of care or otherwise discriminate against an individual based on whether or not the individual has executed an advance directive;
  - (e) Ensure compliance with requirements of State Law (whether

TN # 03-009Supersedes TN # 91-26Effective Date 10/1/03Approval Date MAR 15 2004

Revision: HCFA-PM-91-9  
October 1991

(MB)

OMB No.:

State/Territory: Arizona

statutory or recognized by the courts) concerning advance directives; and

- (f) Provide (individually or with others) for education for staff and the community on issues concerning advance directives.
- (2) Providers will furnish the written information described in paragraph (1)(a) to all adult individuals at the time specified below:
  - (a) Hospitals at the time an individual is admitted as an inpatient.
  - (b) Nursing facilities when the individual is admitted as a resident.
  - (c) Providers of home health care or personal care services before the individual comes under the care of the provider;
  - (d) Hospice program at the time of initial receipt of hospice care by the individual from the program; and
  - (e) Managed care organizations, health insuring organizations, prepaid inpatient health plans, and prepaid ambulatory health plans(as applicable) at the time of enrollment of the individual with the organization.
- (3) Attachment 4.34A describes law of the State (whether statutory or as Recognized by the courts of the State) concerning advance directives.

Not applicable. No State law  
Or court decision exist regarding  
advance directives.

TN # 03-009  
Supersedes TN # 91-26

Effective Date 10/1/03  
Approval Date MAR 15 2004